GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:6067
ANSWERED ON:27.04.2001
SALE OF GOVERNMENT EQUITY IN PSUS
DILIP KUMAR MANSUKHLAL GANDHI

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government have decided to sell their equity in public sector units with open bidding;

(b) if so, the details thereof with names of PSUs identified so far for open bidding;

(c) whether such open bidding is in the interest of country for its smooth and fast development; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF DISINVESTMENT, MINISTER OF STATE IN MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) Typically, the shares of a PSU are disinvested through a transparent bidding process. In order to ensure best returns, PSU-specific decisions are taken by the Government.

(b) The enterprises where disinvestment is likely to be completed in 2001-2002 are :

Air India, CMC Ltd, Hindustan Copper Ltd. (Phase I), Hindustan Insecticides Ltd., Hindustan Organic Chemicals Ltd., Hindustan Zir Ltd., Indian Airlines, IBP Ltd., Indian Petrochemicals Corpn Ltd., Indian Tourism Development Corpn. Ltd., Madras Fertilizers Ltd Minerals and Metals Trading Corporation Ltd., National Fertilizers Ltd., Paradeep Phosphates Ltd., Sponge Iron India Ltd., State Trading Corpn. Ltd., Bharat Pumps and Compressors Ltd., Hindustan Cables Ltd., Instrumentation Ltd., ITDC Joint Ventures, Jesso and Co. Ltd., NEPA Ltd., Scooters India Ltd., Tungabhadra Steel Products Ltd., Videsh Sanchar Nigam Ltd., Praga Tools Ltd. & Bharat Brakes and Valves Ltd., HTL, NIDC, Maruti Udyog Ltd., Bharat Heavy Plates & Vessels and Hindustan Salts.

(c) & (d) Competitive bidding process, in a transparent manner, is resorted to with a view to maximizing return. Disinvestment in PSUs through such a process is in the interest of the country, and is being pursued as per a clearly defined policy. In his recent budget speech, Finance Minister has announced that receipts from disinvestment will be used for providing restructuring assistance to PSUs, safety net to workers, reduction of debt burden, as also for social and infrastructure sectors.